



State of North Carolina
ALCOHOLIC BEVERAGE CONTROL COMMISSION

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MIKE A. JOYNER
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TO: ABC Board Certified Public Accountants

FROM: Laurie Lee

DATE: June 28, 2006

RE: Fiscal Year Audits - 2006

The ABC Commission website has the information you will need regarding this year's audit report. Our website address is www.ncabc.com; click on Local ABC Boards / Audit-Finance to view all of the reports you will need.

- There have been no changes in the cost of goods sold percentage or bailment and surcharge rates.
- Note 13, **Liquor Sales Tax**, has been changed to reflect the fact that the tax rate on liquor went from 6% to 7% October 1, 2005.
- To clarify the difference between "restricted" and "unrestricted" working capital, the minimum (two weeks) is restricted, the remainder is unrestricted.
- Credit card fees are an operating expense and as such, should not be shown as a reduction of sales or as a non-operating expense. Also, per Local Government Finance, credit card fees should be shown as a store expense, not administrative.
- GASB 42 will need to be implemented by any Board that has a material asset impairment.
- **Two copies of the completed audit are due in this office no later than September 30, 2005.**
- Failure to have the audit completed and submitted by this deadline may result in an interruption of shipments to the ABC board.

Please complete and return the two-page Statement of Revenues, Expenses and Changes in Net Assets available on our website as soon as possible.

Call me at extension 254 or email leel@ncabc.com with any questions or concerns.

LOCATION: 3322 GARNER ROAD, RALEIGH, NC 27610

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